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S E C R E T SECTION 01 OF 02 KUALA LUMPUR 002235

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TAGS: [PREL](#) [PINS](#) [PTER](#) [MOPS](#) [EAID](#) [KISL](#) [RP](#) [MY](#)  
SUBJECT: DAS JOHN FINDS MALAYSIAN BROKER OPTIMISTIC ON MILF  
PEACE PROCESS

REF: A. KUALA LUMPUR 1525 - MALAYSIAN VIEWS OF TALKS  
[1](#)B. KUALA LUMPUR 1812 - TALKS "DEADLOCKED"  
[1](#)C. KUALA LUMPUR 2159 - MFA ON MINDANAO

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 (b  
and d).

Summary

[1](#)1. (S) Visiting EAP DAS Eric John on December 6 found Malaysian facilitator Othman Abdul Razak "more optimistic" following the latest informal talks between the Philippines Government (GRP)/Moro Islamic Liberation Front (MILF). In meetings held in Kuala Lumpur the week of November 27, GRP clarifications succeeded in reducing MILF skepticism regarding the new GRP proposal, Othman said, with MILF negotiators generally "quite happy" with the construct of self-determination. MILF still had concerns regarding territorial boundaries of the "Bangsa Moro State," with Manila's current offer seen as a reduction from previous proposals, and secondarily regarding inconsistent terminology. Othman anticipated two more informal sessions, the next in January, followed by a signing of a formal agreement on ancestral domain in May and possible conclusion of the full Compact by September 2007. DAS John explained increased U.S. engagement in the peace process through AmEmbassy Manila and U.S. commitment to helping a deal succeed, and commended Malaysia's role. Othman urged U.S. political support to fend off opponents to the eventual deal and reiterated his call for capacity building to prepare MILF leaders for civilian roles. End Summary.

GRP Offers "New Thinking"

[1](#)2. (S) DAS John, accompanied by DCM and polchief, called on Othman December 6 in Kuala Lumpur and expressed appreciation for Malaysia's continued role in facilitating the GRP-MILF talks. John asked Othman about the MILF's reaction to the latest GRP proposal involving self-determination. Othman admitted he had been deeply pessimistic following the disappointing September round (ref B), as the process had "bogged down in details" after achieving easy, superficial consensus earlier in the year. Hope had rested with a new offer out of Manila. The GRP consulted with international lawyers on key constitutional questions and after almost three months produced a new proposal of only one and a half pages. Nevertheless, the GRP proposal on self-determination represented "new thinking."

"Quite Happy" with Self-Determination

13. (S) Othman described the MILF's reaction to the new offer as "skeptical" prior to the latest informal talks held in Kuala Lumpur the week of November 27. In the latest round, however, GRP negotiators responded to MILF questions and concerns. Following GRP clarifications, the MILF appeared "quite happy" regarding the concept of self-determination within a Bangsa Moro state that remains within the sovereign nation of the Philippines. This construct would avoid potential constitutional obstacles. The timeline for creating the Bangsa Moro state by 2010 also appeared acceptable to the MILF. Othman said the GRP offer and the MILF's reaction were "quite something" and represented progress. "I'm more optimistic now," Othman stated.

#### Concerns over Territory, Terminology

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14. (S) The MILF side still had important concerns that required resolution, particularly on territory. Othman implied that the GRP's latest approach of delineating the Bangsa Moro territory on a geographical basis, rather than thru a census, appeared a practical way forward as it avoided controversy regarding displaced populations. However, the MILF saw the latest GRP offer on territorial boundaries as a reduction in the area of the future state compared with previous offers. The MILF sought a "slightly bigger area" that incorporated southern Zamboanga, Basilan Island and two island chains in the Sulu Archipelago. Secondarily, the MILF questioned inconsistency in some terminology in the new GRP offer, including various uses of "municipality" and "barangay" (village).

#### Next Steps, Timeline

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15. (S) As next steps, Othman stated the GRP and MILF now must work out acceptable solutions in the areas of territory and terminology. They also must prepare the Framework Law and the Moro Basic Law. Othman foresaw two more informal negotiations in the coming months, the first to be held in January. These would lead to the preparation and signing of the first formal agreement, on ancestral domain, in May. Finalization of the full Compact appeared possible by September 2007. Othman laughingly noted, however, that a peace agreement always seemed "six months away."

#### U.S. Needed to Back Deal and Arroyo

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16. (S) Othman said the U.S. could play a critical role in backing the peace agreement as components became public. Until now, GRP-MILF negotiations had been informal and largely out of the public view. When details of an agreement began to emerge, as they would with the first ancestral domain agreement, President Arroyo would be placed "on the defensive." Arroyo was "weak," Othman argued, and would need political and moral support from the U.S. and the international community to fend off opposition to an agreement.

17. (S) U.S. funding would be key for advocacy efforts in the Philippines, Othman said, in order to explain and sell the terms to both the Philippines nation and the Moro people. In addition, the U.S. should invest in capacity building for MILF leaders, even before a deal is signed, so the MILF is ready to govern in peacetime. Othman reiterated his call for support to the Bangsa Moro leadership institute in Cotabato City, including the provision of international teachers. Othman said the EU was ready to provide funding of some activities in advance of the peace agreement. He also noted discussions of aid from Sweden, Japan and the OIC. Countries would need to invest in peace agreement implementation to make this a durable peace and avoid the setbacks experienced

by the previous MNLF accord.

Highlighting U.S. Commitment, IMT

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18. (S) DAS John highlighted the strong U.S. commitment to the peace process, which featured active engagement by AmEmbassy Manila, including direct contacts with the MILF, and political backing of the GRP to reach a deal. The U.S. effort also included a significant, multi-year assistance program on Mindanao. In addition, the U.S. would be prepared to assist with MILF reintegration. DAS John commended Malaysia for its continued commitment to the International Monitoring Team (IMT) and asked about new international contributions. Othman spoke positively concerning the addition of three Swedish and one Japanese IMT members. DAS John encouraged Othman to remain in close contact with U.S. diplomats as the peace process continued.

Comment

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19. (S) Othman's comments constituted a 180 degree change in his expressed outlook since the failed September 6-7 round. The Malaysian facilitator notably continued to place the onus for compromise on Manila rather than the MILF, while recognizing that the GRP's "new thinking" represented progress toward a final peace agreement.  
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